



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 11, 1998

H.R. 218

Community Protection Act of 1998

As ordered reported by the House Committee on the Judiciary on August 5, 1998

SUMMARY

H.R. 218 would exempt certain current and former law enforcement officers from state laws that prohibit the carrying of concealed firearms. This legislation also would establish a national standard for the carrying of concealed firearms across state lines by civilians. The bill would direct the Attorney General to publish relevant changes in state regulations in the Federal Register and to publish an annual report on state and federal laws relating to the carrying of firearms by private citizens.

CBO estimates that implementing this legislation would cost the federal government less than \$500,000 annually, assuming the availability of appropriated funds. The bill would not affect direct spending or receipts, so pay-as-you-go procedures would not apply.

H.R. 218 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs would not be significant and would not exceed the threshold established by that act (\$50 million in 1996, adjusted annually for inflation). This bill contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

Assuming the availability of appropriated funds, CBO estimates that implementing H.R. 218 would cost less than \$500,000 annually. The costs would be incurred by the Department of Justice, primarily to prepare the required reports on state and federal laws relating to the carrying of firearms by private citizens.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 218 contains intergovernmental mandates as defined in UMRA, but CBO estimates that the costs would not be significant and would not exceed the threshold established by that act (\$50 million in 1996, adjusted annually for inflation). The bill would establish national standards for carrying concealed firearms and would thereby preempt state laws governing such weapons. First, all states would be required to allow any qualified current or retired law enforcement officer to carry a concealed firearm without obtaining a permit or providing notification. Second, the bill would direct the Attorney General to designate states as Class I—those that must provide a firearm permit to people who meet minimum qualifications (referred to as “shall issue” states), or Class II—those that are authorized to issue firearm permits only under certain circumstances. The bill would require the 29 states likely to be designated as Class I to accept firearm permits from all Class I and Class II states.

In many “shall issue” states, applicants currently must obtain safety training and undergo background checks before receiving a firearm permit. This bill would require such states with strict requirements to accept firearm permits from states with limited or no safety training and background checks. The governors of the 13 states likely to be designated as Class II would not be required to accept the national standard. Eight states would not be affected by the bill—seven that do not allow the carrying of a concealed weapon and one that allows it but requires no permit.

Based on information from affected states, CBO expects that the only direct cost associated with these mandates would be the loss of revenue from firearm permit fees currently generated in Class I states from nonresidents and from qualified retired police officers. (UMRA includes in its definition of the direct costs of a mandate the amounts that state, local, and tribal governments would be prohibited from raising in revenue.) For a number of reasons, CBO estimates that revenue losses are likely to be small in each of the five years after the bill’s enactment. First, the cost of a firearm permit is small, ranging from zero to \$140, and relatively few permits are issued to nonresidents. Second, many states already have reciprocity agreements with states that have similar requirements for safety training and background checks. Furthermore, several states do not charge retired resident law enforcement officers for firearm permits. In states that do, the forgone revenue would be negligible. Finally, because permit fees are often used to fund the administration of state firearm permit programs, any loss of income from fees would likely be at least partially offset by a reduction in administrative costs.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 218 contains no new private-sector mandates as defined in UMRA.

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